

**OPENING STATEMENT FOR THE HONORABLE BRETT GUTHRIE
REPUBLICAN LEADER, SUBCOMMITTEE ON OVERSIGHT AND
INVESTIGATIONS**

May 1, 2019 HEARING ON

**“DOE’s Mounting Cleanup Costs: Billions in Environmental Liability and
Growing.”**

As Prepared for Delivery

Thank you, Chair DeGette, for holding this important hearing.

The U.S. Department of Energy’s Office of Environmental Management (EM) was created in 1989 to clean up the radioactive legacy of the Cold War and was tasked with cleaning up 107 sites across the country. As part of this effort, EM is responsible for completing the safe cleanup of environmental legacy resulting from five decades of nuclear weapons development and government-sponsored nuclear energy research.

To date, DOE has completed cleanup at 91 of its 107 sites, with 16 sites remaining. While 85 percent of the original 107 sites have been cleaned up, the remaining 16 sites have been described to the committee as the most challenging sites.

EM still has a lot of work to do. This work has been ongoing for decades and will continue for decades to come, with some of the current sites not estimated to be cleaned up until 2070 or 2075.

One of the ways that EM's work is measured and estimated is through the amount of environmental liabilities, which is the estimated cost to cleanup areas where federal activities have contaminated the environment. To develop its environmental liability estimates, EM uses the approved life cycle costs for all cleanup projects at each of its sites and adds any adjustments and accounts for any potential cost decreases.

The United States government's environmental liability was \$577 billion in Fiscal Year (FY) 2018 and was the third highest liability listed in the Financial Report of the United States government. DOE is the driver of most of this liability, accounting for \$494 billion, due to its nuclear cleanup responsibilities. Most of DOE's liability—\$377 billion out of the \$494 billion—lies with the cleanup costs associated with sites under the responsibility of the EM. DOE's financial statement for fiscal year 2018 showed a sharp increase in environmental liability – more than \$110 billion.

EM's environmental liability has grown annually and outpaced the agency's annual spending on cleanup activities. For example, between FY 2011 and FY

2017 EM's environmental liability grew almost \$105 billion—from \$163 billion to \$268 billion. In that same period, EM spent approximately \$40 billion. Similarly, in the past two fiscal years, the environmental liability grew by \$122 billion, with DOE spending only \$12 billion on cleanup activities.

In 2017, GAO added the federal government's environmental liability to its high risk list, and it remained on GAO's high risk list for 2019. Further, GAO has conducted additional work surrounding DOE's environmental liability, including a report that was released in February as a result of what became a bipartisan request by this committee, which examined the performance of EM's operational activities and the role of performance assessments in informing those activities.

GAO's concerns stem from the fact that while the number of sites to be cleaned up have decreased, the cleanup costs have increased and the timetable for completion keeps getting delayed. And, as the timetable for cleanup completion is delayed, costs continue to go up, especially since about 40 percent of the money EM spends on cleanup costs goes toward minimum safe operations, or "minsafe" costs to maintain the sites, including costs for power, staffing, and security.

Additionally, according to GAO, DOE should conduct a root cause analysis to determine why the cleanup costs, especially the \$110 billion increase, went up so much. GAO also found that EM does not follow program management leading

practices or project management best practices. GAO's concern is that DOE could be wasting billions of dollars, and not implementing the cleanup program efficiently and effectively. Lastly, GAO reported that DOE does not have a strategy on how to make the cleanup program more efficient and effective.

DOE recognizes the need to strengthen program management, oversight, and accountability to ensure value for the American taxpayer. DOE and EM are working towards completion and closure of the mission, but we still have decades to go. In the meantime, it is critical that we understand what EM is doing—and changing—in order to clean up the remaining sites in a timely and cost-effective manner.

This mission is an important one, not just for the sake of completing cleanup, but also to ensure that the environment and public health in the communities where these sites are located are protected. I look forward to hearing from Assistant Secretary White on ways DOE and EM plan to evaluate and strengthen the cleanup mission and how EM plans to address GAO's concerns.

I thank our witnesses for being here today. I yield back.